



## H.RES. 1079 – SUPPORTING THE GOALS AND IDEALS OF FINANCIAL LITERACY MONTH 2008

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### FLOOR SITUATION

H.Res. 1079 is being considered on the House floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Ruben Hinojosa (D-TX) on April 3, 2008. The bill was sent to the House Committee on Oversight and Government Reform but was never considered.

H.Res. 1079 is expected to be considered on the House floor on April 29, 2008.

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### SUMMARY

H.Res. 1079 resolves that the House of Representatives:

- Supports the goals and ideals of Financial Literacy Month, including raising public awareness about financial education;
- Recognizes the importance of managing personal finances, increasing personal savings and reducing indebtedness in the United States; and
- Requests that the President issue a proclamation calling on the Federal Government, States, localities, schools, nonprofit organizations, businesses, other entities, and the people of the United States to observe the month with appropriate programs and activities with the goal of increasing financial literacy rates for individuals of all ages and walks of life.

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### BACKGROUND

In the current economic environment, the emphasis on financial literacy has increased. A survey conducted by the National Foundation for Credit Counseling found that only a minority of Americans keep close track of what they spend each month. In addition, a 2005 Government Accountability Office study found that some consumers do not understand many aspects of credit reports and the affect of personal credit histories. By law, the investigation must be completed in six months.

Poor financial literacy can have lasting effects on consumers. Personal bankruptcy filings in the United States have increased by 40 percent in 2007 and according to the Bureau of Economic Analysis the personal savings rate in our nation is below one percent of disposable income.

On January 22, 2008, President George W. Bush signed an executive order that established the President's Advisory Council on Financial Literacy, which is chaired by Charles Schwab, Chairman of the Charles Schwab Corporation.

The Advisory Council is made up of 16 members from the business, faith, and non-profit communities who are involved in the delivery of financial literary services. The Council is tasked with working with the public and private sector to help increase financial education efforts for youth in school and for adults in the workplace, increase access to financial services, establish measures of national financial literacy, conduct research on financial knowledge and to help strengthen public and private sector financial education programs.

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### STAFF CONTACT

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